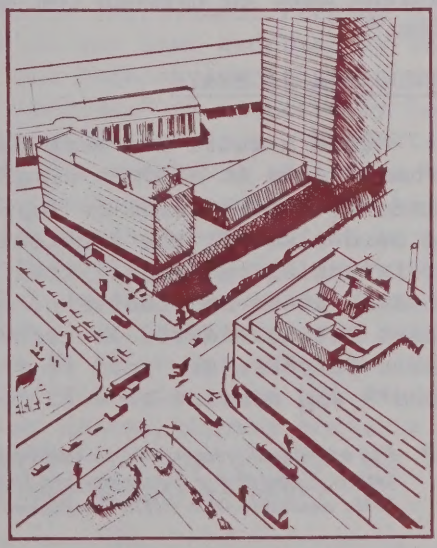
FUNDING THROUGH FAUS

THE FEDERAL AID URBAN SYSTEM PROGRAM IN NEW JERSEY

THE NEW JERSEY DEPARTMENT OF TRANSPORTATION

The Federal Aid Urban System (FAUS) was established by the Federal-Aid Highway Act of 1970 and broadened by the Federal-Aid Highway Act of 1973. The Urban System is made up of arterial and collector routes located in urban areas and not included in other federal systems.



Although there is no statutory limit on mileage in the urban system, it is limited to roads which have been classified by the New Jersey Department of Transportation with the concurrence

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of the federal government as arterial and collector routes.

In an urban area, between 20 and 35 percent of the total road mileage usually is on a federal aid system such as the Federal Aid Interstate System, the Federal Aid Primary System, and the Federal Aid Urban System. It is important to note that the Congress, when it established these systems, did not intend them to include all streets within an area.

TO SERVE COMMUNITY OBJECTIVES

The existing Federal Aid Urban System in New Jersey consists of streets and roads selected by local officials to serve the goals and objectives of the community with the concurrence of the New Jersey Department of Transportation and the approval of the Federal Highway Administration.

The Urban System was established by the continuing, cooperative, comprehensive transportation planning process mandated by Section 134 of Title 23, United States Code. It can be modified as required to meet the changing needs of the communities, but the modifications must go through the same process as the selection.*

FUNDS FOR HIGHWAYS

Once a route has been designated as part of the Urban System it becomes eligible for federal assistance in construction or improvement. FAUS funds can be used also for the construction of exclusive or preferential bus lanes, traffic control devices, bus loading areas and shelters, and park and ride lots. These are considered as highway projects. Funds for these purposes are paid from the Federal Highway Trust Fund** and consist of a 75 percent federal share to be

* *For additional information on modification see: Procedures for Modification, Federal-Aid Secondary and Urban Systems, NJDOT, Sept. 15, 1976, available from NJDOT's Bureau of Statewide Planning.*

** *Federal Highway Trust Fund consists of federal excise taxes collected on gasoline, tires, tubes and truck parts, among others; distributed to the states for highway purposes.*

matched by 25 percent from local sources. The State of New Jersey in the past has provided the local match for almost all FAUS projects as a matter of policy, but is not required to do so by law.

FUNDS FOR PUBLIC TRANSPORTATION

FAUS funds also can be made available, by transfer, for non-highway public transportation projects. These include the purchase of buses and the construction and improvement of fixed rail facilities, including the purchase of rolling stock for fixed rail. When such transfers are proposed and approved, Highway Trust Fund monies are made available to the Urban Mass Transportation Administration for implementation.

In general, whether for a highway improvement or a non-highway project, the planning process outlined below must be followed.

THE PLANNING PROCESS

In order for a proposed project to be considered for funding with FAUS funds it must, in urban areas of more than 50,000 population, be based on a continuing, comprehensive transportation planning process carried on cooperatively by state and local governments and resulting in a Transportation Plan.

To implement this planning requirement of the federal government, the Governor of the State of New Jersey has designated a metropolitan planning organization (MPO) for each urban area in the state which has a population greater than 50,000. These MPO's are the forum for cooperative decision making by principal elected officials of general purpose local government. The designated MPO's for the various urban areas in New Jersey are:

The Tri-State Regional Planning Commission (Tri-State) for the counties of Bergen, Essex, Hudson, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, and Union. For transportation planning purposes, Tri-State has delegated many of its functions to the Northeast New Jersey Transportation Coordinating Com-

mittee (NENJTCC) which, by its composition, is representative of the local governments. It consists of the freeholder directors (or their representatives) of the included counties and the mayors of Newark and Jersey City.

The Delaware Valley Regional Planning Commission (DVRPC) for the counties of Burlington, Camden, Gloucester and Mercer.

The Atlantic City Urban Area Transportation Study (ACUATS) Policy Committee for the counties of Atlantic and Cape May.

The Cumberland County Urban Area Transportation Study (CCUATS) Policy Committee for Cumberland County.

The Phillipsburg Urban Area Transportation Study (PUATS) Policy Committee for Warren County.

The Wilmington Area Planning and Coordinating Council for Salem County.

These MPO's, with the exception of ACUATS and CCUATS, are multi-state, and the total planning region contains urban areas in adjoining states.

The local officials, acting individually and through the MPO's must do more than provide general policy direction to the planning process. They have specific responsibilities in the planning and implementation of transportation facilities. One of the most important responsibilities is their involvement in the annual development of the Transportation Improvement Program (TIP).

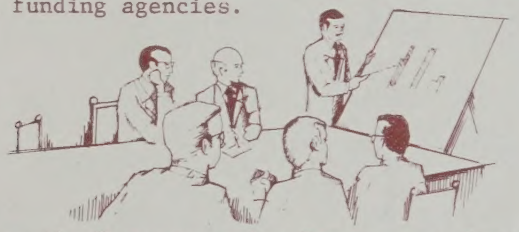
THE TRANSPORTATION IMPROVEMENT PROGRAM (TIP)

The TIP is a staged, multi-year program of transportation improvements developed and updated under the direction of the MPO in cooperation with state and local officials, transit operators, and other transportation and regional planning and implementing agencies.

In New Jersey, the TIP consists of an "annual element," which is a list of projects proposed for the current fiscal year, and elements for each of the next four years. The TIP, particularly its "annual element," should be reasonably consistent with expected funding.

This five-year program must consist of improvements recommended from the two elements -- Transportation System Management (TSM)* and Long Range -- of the Transportation Plan.

For an urban system highway project to be placed on the TIP it must be initiated by the local officials in whose jurisdiction it is located. The entire TIP, including the annual element, must be endorsed annually by the MPO and submitted to the Governor and to federal funding agencies.



When the Transportation Improvement Program has been completed and after it has been endorsed by the MPO, the State prepares the Federal Aid Program, commonly known as the "105 program," as required by Section 105 of Title 23, United States Code. Projects on the 105 program are those for which the state has sufficient funds, for which the local jurisdiction has agreed to provide matching funds, or which can be processed with 100 percent federal funds, and which the state intends to implement during the coming year. A limited number of additional priority projects are included in the 105 program to allow for substitution of projects which fall behind schedule. The 105 program need not include all Urban System highway projects in the annual element of the TIP, but no project may be included which is not in the annual element.

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* *Transportation Systems Management (TSM) - Use of short-range, low cost projects to make more efficient use of the existing transportation system through improvement of highway traffic flow and bus and rail operations.*

The importance of cooperative planning is emphasized by the requirement that FAUS projects must be initiated by local officials but must be concurred in by the State. This procedure is required by Section 145 of Title 23, United States Code, which states in part that the procedures "shall not infringe upon the sovereign rights of the States to determine which projects shall be federally financed. The provisions of this chapter provide for a federally assisted State Program."

MAKING THE SYSTEM WORK

Although NJDOT strives for uniformity in the planning and implementation of the FAUS program in the six MPO's, their great range in size and organizational makeup results in procedures which differ slightly in each area. The basic procedures are the same statewide.

The first step which must be taken by any community wishing to use FAUS funds is to participate in the planning process. NJDOT makes Federal Highway Administration planning funds available to each county included in an urban area. These funds (sometimes combined with Urban Mass Transportation Administration funds) are to be used for transportation planning.

Committees have been formed in most counties to advise their Freeholder Boards on transportation matters. One of the main purposes of these committees is to insure that the officials of the local governments, as well as the general public, are kept informed of federal programs and their proper application and that local priorities are considered in the development of transportation plans and programs.

LOCAL ACTION NEEDED

Local communities then must insure that the projects which they need are considered by the committees, or by the county planning staff if there is no active transportation committee. The TIP is developed at the county level in cooperation with NJDOT starting in January of each year in preparation for the coming

fiscal year. FAUS projects over which NJDOT has jurisdiction are presented during this period so that local governments can review and incorporate them, if they approve, into the TIP.

When a Board of Freeholders has approved the county TIP, it is forwarded to the MPO for approval. A review of the TIP required by the federal Office of Management and Budget (OMB), known as the A-95 review, generally is performed at the same time. The MPO which approves the TIP is nearly always the Metropolitan Clearinghouse.* Approval of the TIP is certification that affected local governments have been notified and have had an opportunity to comment. Additional A-95 review is performed by the State Clearinghouse** and those state and local agencies which it determines may be affected by the TIP.

Approval of the TIP by all parties does not necessarily mean that all the projects will be completed. Some projects, after closer examination, may be found to be not feasible or may conflict with other projects. A shortage of state and local funds to match federal funds also means that some TIP projects cannot be implemented immediately.

Having the project placed on the TIP and included in the 105 program does not complete the approval process, even if funds are available. An application for federal funds must be filed with NJDOT's Bureau of Local Aid along with resolutions indicating that local officials initiated and supported the project. Agreements between the state and the local sponsor are necessary to assure that the project will be maintained in a satisfactory manner in the future and to help insure the continued support of the county or municipality.

* *Metropolitan Clearinghouse - The metropolitan area agency accepted by the federal Office of Management and Budget to perform certain review and coordinating functions.*

** *State Clearinghouse - State agency designated by the Governor to perform review and coordinating functions; in New Jersey, the Division of State and Regional Planning, Department of Community Affairs.*

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FEDERAL FUNDS AVAILABLE

The Congress has authorized $800 million annually from the Highway Trust Fund for the Federal Aid Urban System since 1974. The most recent legislation indicates that this level of funding is to continue at least through Fiscal Year 1982 and, for the purpose of a five-year program, it is assumed that the amount will remain constant in future years.

This authorization is apportioned to the states (after deduction for federal administration and research) in the ratio which the population in urban areas in each state bears to the total urbanized population of all the states as shown by the latest Federal Census. In the case of New Jersey this amounts to slightly over $32 million each year.

Within New Jersey, this apportionment system also is applied to urbanized areas of 200,000 population or more, as required by law. FAUS allocations for urban areas with populations below 200,000 are distributed at the state's discretion; however, it has been the New Jersey Department of Transportation's practice to make these funds available to the smaller areas according to the same population-based distribution formula.

The ability of New Jersey to draw FAUS funds depends on annual state budget appropriations and/or bond funds which may be available.

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Further information concerning the FAUS program in New Jersey may be obtained from the Bureau of Local Aid, New Jersey Department of Transportation, 1035 Parkway Avenue, Box 101, Trenton, NJ, 08625, telephone 609-292-3217.

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